

VERMONT CENTER FOR GEOGRAPHIC INFORMATION, INC.

BOARD OF DIRECTORS

Minutes of Meeting – 8:30 AM on June 17, 2014 Draft

Executive Director David Brotzman called the meeting to order at 8:36 a.m. The membership was represented as follows:

Richard Boes (Agency of Administration)	Present
Aaron Worthley (Private Sector – GIS Community)	Absent
Peter Fellows (Regional Planning Commissions)	Present
Thomas Hurd (Agency of Transportation)	Present
VACANT (Vermont House of Representatives)	Absent
Sen. Elders French (Vermont Senate)	Absent
Jarlath O'Neill-Dunne (Higher Education – UVM Spatial Analysis Lab)	Present
Melissa Prindiville (Agency of Commerce & Community Development)	Present
Peter Telep (Agency of Natural Resources)	Present
Bruce Urie (VT Municipalities)	Present
Scott Roper (Higher Education – Castleton State)	Absent
Beverly Wemple (Higher Education – University of Vermont)	Present

Executive Director David Brotzman and Business Manager Eve Dubois were also present.

Review and Approval of Minutes of Prior Meeting

Minutes from March meeting. Motion to accept was made by Bruce Urie and seconded by Peter Fellows. The motion passed unanimously.

Financial Reports

DB—There is no budget for next year since we do not have enough information at this time. We will hear from ACCD Deputy Secretary Lucy Leriche later in the meeting regarding plans for VCGI to move into State government.

Income Statement

DB—\$62,000 loss is more than what was estimated. Last year was about \$50,000 to the black. Leaving out depreciation, it's pretty much a wash. We will likely end the year with a loss in the \$60,000s.

Balance Sheet

DB—Need to get as much revenue into ACCD as possible. We're going to bring \$175,000 to \$180,000 in if the transition happens at July 1. MP—in the past there have been deposits/bonds. What happened to those? DB—closed Certificate of Deposit to make cash available for transfer. JO—transition costs? DB—will be part of VCGI's core costs. As it stands, VCGI will stay in the building we are in now. There is currently no room at ACCD. Lease is in effect until July 2015. ACCD has already taken over the cost of the monthly lease as of July 1. Initial statutory requirement was transition should happen as of July 1; however, it quickly became clear that it would be to no one's advantage to make the transition happen so quickly and there were some benefits to making a more gradual transition over 6-9 months.

Budget

DB moved some project revenue from this year into next year, which will help ACCD. Low revenues are due

in part to DB's time not being available for project work. When transition was scheduled for July 1, staff benefits became use or lose, so they began using up whatever they could due to the uncertainty. All of that reduced amount of project work being done. Cash flow is doing well.

Revenue Projections

\$10,000 for the year from VSJF based on discussions with them. DEMHS will continue at their discretion. MP—aware that DEMHS is looking to hire. Will that prevent them from renewing their contract? DB—They likely could reduce their contract. We have been encouraging them to hire someone for years.

NTIA grant has been extended to January 31. When actual date of transfer occurs, we will need to transfer the grant to ACCD. NBRC grant is mostly going to towns and contractors. BW—pass through funding? DB—most of it is pass through; a small amount is for Leslie's time. If any potential grants come through, it will probably be in the latter half of the year. State merge savings was calculated for us by Finance and Management at state. We are in as good a place as we have been in any other year, and some years we haven't had this much potential income. TH—what is State Merge savings? DB—some costs are specifically corporate, e.g. Board, auditor, insurance. Some costs will be shared, and some will go away. FirstNet is nationwide public safety broadband network. If there are LiDAR projects, we try to get them. USGS has up to \$1M of LiDAR projects coming for Vermont. Chittenden County RPC is adding funding to get LiDAR over Chittenden County.

ACCD Transition Discussion

Deputy Secretary Lucy Leriche from ACCD arrived. LL—I have reviewed minutes from the Board meetings. Clearly, BOD has been well-informed about the legislative process. Had concerns about how quickly this transition was to take place. Would be incredibly challenging, if not impossible, to make everything happen by July 1. Several offices involved. We have promising news but not final. Had conversation with head of Joint Fiscal Office. He believes intent was to have transition happen in an orderly way, giving more time than attorney originally interpreted. Want to start with a study. Work with state and community partners (e.g. EGC) to put wish list together to determine how to structure. Will start right away to come up with framework to determine what kinds of expertise are needed in the six positions. We have until March by statute; legislative intent was to give flexibility to make transition in an orderly, organized way. Memo was drafted by attorney and was reviewed by JFO. Although it's not final, the process is moving forward and looks promising. Rich, will you be able to join us for an internal meeting with ACCD, HR? RB—haven't received an invitation yet. LL—I'm sure you will, and I hope you'll join us. We'll have more definitive information available.

TH—unclear what Board will do and whether it's even needed. LL—you will probably be needed. There are contracts and legal action that will require action by the Board. DB—quarterly meetings are required. LL—will also want to oversee transition and make sure your interests are being served. DB—whatever definite comes out of meeting, please let staff know.

BW—when surveying, how much uncertainty is there for staff? LL—Existing VCGI staff have first priority, assuming their skills fit. If position gets tweaked (e.g. more analysis than project management), they have the option of whether to accept the position. Employees are not yet able to use RIF rules. We want to be careful what we tell them, because it's very complicated. Important not to pass along information of which we are unsure. Employees know that positions for VCGI as an entity could change. BW—As a Board, whose responsibility is to oversee organization and employees? Is there something we should be doing as a Board to support the employees? LL—If anything, they'll have more rights and more protection, and I have no reason to believe they wouldn't be offered something. The question, from my perspective if I were a staff member would be, "Will they offer me something I'll want to take?" and I can't answer that right now. My intention is to

operate openly and in good faith throughout this. We want to be noble and fair and want to make sure we optimize and maximize whatever potential VCGI's expertise can bring to Vermont.

PF—annual VCGI surveys, interfacing with EGC and other state agencies, I'm interested in your survey. The Board hadn't envisioned that this would happen, and I'm interested in how that information will be used to mold the positions and form the transition.

LL—this is a new process. Part of the restructuring is the financial piece. You are moving into state government because the business model is not working, funding is not enough. If State is going to be responsible, we need to make sure we have a funding model that the legislature can support and that will work.

DB—It's been great working with ACCD. There's a lot of positive energy.

LL—It's great working with you, and we're looking forward to making a smooth transition.

DB—It's VCGI policy that the Board address staff COLA, salary increases at the June meeting. Complicated this year, but since it's policy, the Board needs to address it. PF—pretty important meeting happening on Thursday, but it's confusing. TH—premature to agree on bonus or salary increase. As of July 1, they're going to be in state government and may receive a pay raise. BW—if going into state government as of July 1, didn't LL say they would need to have a position offered to them, and that's uncertain? DB—Everyone's working on the understanding that this will be extended. Under those conditions, staff will be offered positions once transition plan is certain. MP—our team is moving forward with the understanding that the transition will happen July 1. I agree with TH that at this point, we shouldn't be making a decision. PF—I don't see how we can until they have the Thursday meeting. RB—My guess is that the Thursday meeting will raise more questions than it answers, so I don't expect clarity after Thursday's meeting. PF—As a practical matter, you keep paying employees, healthcare bills, etc. out of existing funds. When does that switch? DB—that's up to the discussion with the JFO. BW—that happens in March. How do we get a sense of how long you would last based on the financial statements? DB—We have money in the bank. We will have some contract income. Our appropriation has already been sent to ACCD. We can get money from them, if need be. It's there for our use, so I'm sure they will let us use it. RB—There has been a meeting (Lucy, Human Resources, Rich Boes) a while ago. There may have been more meetings since then. At that meeting, the intent was that the Board would continue until March but without employees. It was intended for the employees to move into state government as of July 1. Board would work with contracts. DB—whenever the date for the transfer of assets and liabilities happens will have a strong impact on VCGI's ability to pull in contracts and grants. If we have to transfer on July 1, I have to get contracts moved over to ACCD. It will take 4-6 months for federal contracts, and what do we do in the meantime? With state contracts, it's easier and can happen within a day or two. If there's no change, the transition will happen on July 1. JO—if that happens, will BOD run the corporation? Do we have a lot of work ahead of us? DB—We don't know. If assets and liabilities transfer, what will there be to do? TH—awareness and providing information, not much else. PF—transfer date may require action. Attorneys may want paperwork, but other than that, there may not be anything else. Our role in anything else is uncertain.

RB—a whole bunch of people have worked on what would happen to staff positions, but ACCD hasn't had time to figure out how those positions map to their agency, and they need the time to do that. Mapping to DII currently exists, but ACCD needs to figure out if that mapping works for them. The language in the bill is unclear about how much flexibility there is. DB—After meeting with LL last week, we are not making any changes to benefits due to uncertainty. JO—what is Board's responsibility? Do we need to approve transfer of assets, for example? RB—Board has control of the corporation. JO—if ACCD comes up with plan that Board doesn't like, do we have power to approve? RB & PF agreed Board could control timing of transfer of assets.

TH—normally COLA raise is effective as of July 1. If employees transfer before July 1, there is an upgrade at

July 1. Employees are at status quo. My assumption is that, if they transfer at July 1, they will get COLA, but if they're status quo (no COLA increase), then perhaps we need to do something. RB—pay grades and depending on seniority, step levels also control. Through slotting, there is an expectation that salaries would be maintained, supported by Kate Duffy during legislative discussion; however, that language is not in statute, so there is no commitment. MP—we're making a lot of assumptions. We can't make a good comprehensive decision until we know what the approach is. RB—Let's look at use cases. One would be to give raises now, slotting may not work as well. If we don't give raise, they may get slotted in at same salary with no raise. MP—they received bonuses when state employees did not. BW—can we go into Executive Session and make a contingent decision based on circumstances?

Executive Session

RB--Voted twice. First motion was for 1.5% COLA, effective June 30, deferring merit increases till next board meeting, 5 opposed, 3 in favor. Did not pass.

Motion that did pass: defer discussion of raises to next Board meeting.

DB Thank you all. Hope you will sign re-up as Board members. We do need a Board. We will need an audit this coming year. We will have expenses in FY 15 no matter what happens. Auditor will be present at September Board meeting to present audit findings.

Closing

Next meeting is September 16. Will meet in same place, will send out same materials.

Motion to adjourn, seconded, and passed at 10:20 a.m.